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THE SITUATION IN CENTRAL AMERICA: PROCEDURES FOR THE ESTABLISHMENT OF A FIRM AND LASTING PEACE AND PROGRESS IN FASHIONING A REGION OF PEACE, FREEDOM, DEMOCRACY AND DEVELOPMENT

Report of the Secretary-General

I. INTRODUCTION

1. The present report is submitted pursuant to General Assembly resolution 47/118 of 18 December 1992. It covers developments relating to progress achieved by Central American countries in the areas of peace, freedom, democracy and development, as well as the implementation of mandates given to the Secretary-General by the Assembly in the above-mentioned resolution.

2. The United Nations has been assisting the peace process in Central America for a decade. Three principal organs of the Organization have been and remain involved in that process. Since 1983, the situation in Central America has been discussed annually by the General Assembly. Since 1989, two important peace-keeping missions have been carried out in Central America under the authority of the Security Council, namely, the United Nations Observer Group in Central America (ONUCA) (November 1989-January 1992) and the United Nations Observer Mission in El Salvador (ONUSAL) (since July 1991). ONUSAL is one of the most comprehensive efforts ever undertaken by the United Nations. The Secretary-General played a key role in the peace process in El Salvador and his good offices continue to be involved there and in the peace talks to settle the civil conflict in Guatemala. In addition, most programmes and agencies of the United Nations system are currently providing technical assistance to Central America within country programmes or regional frameworks.

3. This comprehensive and multifaceted involvement is reflected in a number of reports submitted to the General Assembly at its forty-eighth session. These include the reports of the Secretary-General on assistance for the reconstruction and development of El Salvador (A/48/310) and on the Special Plan of Economic Cooperation for Central America (A/48/405), and the report of the United Nations High Commissioner for Refugees, which contains a section

dealing with regional developments in the Americas and the Caribbean including the International Conference on Central American Refugees (CIREFCA) (A/48/12, paras. 105-116). While referring to developments in individual countries or specific activities of the United Nations system, this report focuses on the regional process as a whole.

II. THE CENTRAL AMERICAN PROCESS

4. The end of the cold war and the end of the armed conflicts which afflicted El Salvador and Nicaragua and affected the region as a whole during the 1980s have generated better prospects for the achievement of the goals of peace, democratization, reconciliation, development and justice set out by Central American Governments, and to which successive Central American Presidents renewed their commitment at all 14 presidential summit meetings held since 1986.

5. In several areas, these improved prospects have materialized: the settlement of the civil conflicts in Nicaragua and El Salvador has allowed thousands of refugees and displaced people to return to their homes. The improved political climate and efforts for macroeconomic stabilization have increased business confidence both internationally and within the region taken as a whole. The Economic Commission for Latin America and the Caribbean (ECLAC) observed a significant economic reactivation during 1992. That overall economic growth originated to a large extent in internal demand and not exclusively in external demand as in previous years. The transition from confrontation to consensus in intergovernmental relations has generated increased cooperation on a large number of issues. It has rekindled the thrust towards regional integration, with concrete results particularly in the area of trade.

6. As security concerns fuelled by armed conflicts and the cold war fade away, the prospects for continued strengthening of democratic institutions have improved. Evidence of that progress in the area of democratization is the fact that four Central American countries are in the midst of democratic electoral processes. Events in Guatemala leading to the election of Mr. Ramiro de León Carpio as President on 6 June 1993 also testified to the widespread support for the rule of law. In all Central American countries, human rights organizations have been pressing Governments to fulfil their responsibility in the observance and protection of human rights. The increased assertiveness of civil society is also evidenced by the number and vigour of issue-oriented organizations and professional associations which are generating a new, more diversified political process.

7. On the other hand, Central American Governments are well aware that positive developments such as the end of super-Power confrontation and the settlement of armed conflicts in the region have not removed all obstacles to the realization of the goals of the Esquipulas process. The economic gains mentioned above must be consolidated against a background of world recession, decline in the price of traditional exports and growing difficulties for some export products to enter foreign markets. To quote the Guatemala Declaration adopted by the Presidents of the Central American countries on 29 October 1993: "Central Americans recognize that there is still a long way to go to reach the goals of our transformation: the consolidation of peace, democracy and the integral development of our societies". The region is still to become a region

of peace, with the longest lasting conflict in Central America yet to be settled in Guatemala. In addition, many of the structural causes of the acute crisis suffered in the 1980s are still present. Social disparities remain a source of tensions. With regard to health care, housing, education and employment, the region's indicators continue to be a cause for concern. Across the region, extreme poverty has been on the increase in recent years. In addition, new challenges have emerged, such as drug trafficking and environmental degradation.

8. Against that background, economic policies essential for macroeconomic stabilization have often been accompanied by a deterioration in social conditions, and by diminished Government ability to take remedial action, thus placing added strain on the political process. The difficulty of pursuing an agenda of economic adjustment while also aiming at correcting social inequalities and alleviating political tensions has become particularly obvious in Nicaragua, which is confronted with the legacy of a decade of civil war. Managing the requirements of economic stabilization and the financial implications of the Peace Accord is also proving a difficult task in El Salvador. Throughout the region, Governments as well as other sectors of society have stressed the need to address, on a priority basis, the critical issue of poverty, inter alia, to promote lasting peace and political stability.

9. In that context, Central American Governments have continued to stress the interrelationship between the goals of peace, freedom, democracy and development. In the Panama Declaration of 11 December 1992, adopted at their thirteenth summit meeting in Panama, the Central American Presidents stated that it was imperative to ensure the continuous improvement of genuine democratic, pluralistic and participatory processes, which respect fundamental political freedoms and human rights, and the preservation of democracy in the region. Further, they outlined the primary challenges faced by Central America, namely, the improvement of democracy, the consolidation of peace, access to international markets on equitable conditions and sustainable development with social justice (A/47/897, annex).

10. Again, at their fourteenth summit meeting, held in Guatemala on 28 and 29 October 1993, the Central American Presidents stressed, inter alia, the need to promote democratic processes and ensure the observance of human rights in the region, fight against poverty, proceed further with the modernization of their productive capacities to the benefit of all sectors of society, and protect the environment.

Regional cooperation and integration

11. To meet this ambitious agenda, in addition to national efforts in economic, social and institutional development, Central American Governments have continued to emphasize the strategic importance of greater regional cooperation and integration. In the Panama Declaration, the Presidents of the Central American countries stressed the need for "effective instruments of integration, namely, a regional institutional framework and strategies for integrated development, encompassing the agricultural sector as the linchpin of regional economic revitalization" (A/47/897, annex). At the fourteenth summit meeting, the Presidents signed a protocol which updates the Central American Treaty of Economic Integration of 1960 and seeks to promote a voluntary, gradual and

progressive process leading to the establishment of a Central American economic union.

12. While the issue of integrated economic development has received much attention during the reporting period, a distinctive feature of the region's efforts in the area of cooperation remains its emphasis on political and institutional cooperation. In 1993, meetings between Central American Presidents have continued to prove an effective and flexible format for high-level regional decision-making. As indicated above, since the last report of the Secretary-General on the situation in Central America (A/47/739-S/24871), Central American Presidents met at two regular summit meetings, in Panama and Guatemala. They met at a special summit in Belize from 19 to 21 February, at the invitation of the Belizean Government, to coordinate regional efforts in the fight against drugs and drug trafficking. In addition to their regular meetings, Central American Presidents met on an ad hoc basis on 1 and 17 June in El Salvador and Guatemala respectively, in connection with the crisis in Guatemala in late May, and again on 27 August in El Salvador to address the situation in Nicaragua and offer their good offices to facilitate national reconciliation efforts in that country.

13. In 1993, the system of regional institutions expanded to include the Central American Court of Justice, headquartered at Managua, whose Statute was adopted at the thirteenth summit meeting. At that meeting it was also decided to set in operation the Central American Integration System (SICA), provided by the Tegucigalpa Protocol of 13 December 1991. SICA was formally established on 1 February 1993 and its headquarters in San Salvador were inaugurated on 27 October 1993. Since its inception, the secretariat of SICA has sought to ensure better coordination between the many regional agencies that make up the Central American System and has also been involved in the good offices mission sent by Central American Presidents to promote the national dialogue in Nicaragua.

14. While not directly related to the Esquipulas process, progress in overcoming territorial disputes, which stood for decades in the way of regional integration, deserves a mention in this review of the situation in Central America: last year, the Judgment of the International Court of Justice in the Land, Island and Maritime Frontier Dispute (El Salvador/Honduras: Nicaragua intervening), was endorsed in an exemplary manner by the countries concerned. The implementation of the Court's Judgment offers an opportunity to strengthen further the cooperation between the three countries. Another development that was heartily welcomed by the international community was the recognition of Belize by the Government of Guatemala and the establishment of diplomatic relations between the two countries in 1991. This set the stage for the settlement of a long-standing territorial dispute. That development has opened new opportunities for strengthening good-neighbourly relations between the two countries and for regional cooperation as a whole.

Extraregional cooperation

15. While emphasizing their own commitment to the goals of peace, freedom, democracy and development, Central American countries continued throughout 1993 to stress the role that the international community has played and should continue to play in promoting their achievement. In that context, they

expressed a concern that pressing demands for international assistance in other regions may divert the international community's attention from the continued need for its support to the Central American process.

16. During 1993, in addition to bilateral relations, Central America furthered international cooperation through various mechanisms. At their meeting at Caracas on 12 February 1993, Central American Presidents and the Presidents of the Group of Three (Colombia, Mexico and Venezuela) adopted the Caracas Commitment, which established a new framework for cooperation (esquema de cooperación), and a Caracas Statement, which renewed their commitment to the creation of a free-trade zone. At their ninth ministerial meeting, held in El Salvador on 22 and 23 February 1993, Ministers from Central America and the European Community and its member States signed the San Salvador Agreement on further cooperation between the two regions. In the joint political and economic communiqué issued by the Conference, the Ministers expressed their satisfaction at progress made towards peace, dialogue, reconciliation and the consolidation of democracy. They also noted the obstacles and risks that could affect that evolution and stressed, inter alia, the urgent necessity that such progress should be supported through a sustained effort from the region and the appropriate support from the international community. On 15 and 16 March 1993, a special session of the Partnership for Democracy and Development in Central America (PDD) was held in Tokyo with the participation of 30 countries. PDD members expressed their shared view that democracy and economic development are the two elements that must proceed in tandem to consolidate the Central American peace process, and that well-balanced assistance, with balanced emphasis on both areas, should be ensured.

17. International financial institutions - the International Bank for Reconstruction and Development (World Bank), the International Monetary Fund and the Inter-American Development Bank - were also actively involved in promoting a structured dialogue between the international donor community and Central American countries. The first meeting of the Regional Consultative Group for Central America, coordinated by the Inter-American Development Bank, was held in March 1993 in Brussels. Among the main topics were regional technical cooperation in the fields of energy, human resources, the environment and science and technology. Meetings of national consultative groups were held in Paris in April 1993 under the auspices of the World Bank. The meeting on El Salvador provided an opportunity to review progress made during the first year of the National Reconstruction Plan and pledges were made by donor countries in the amount of US$ 800 million. At the meeting on Nicaragua, the national reconciliation process was assessed and pledges totalling approximately $750 million were made. In September 1993, an informal meeting was organized by the World Bank in Washington, D.C. at the request of the Government of Guatemala. Donors offered financial support with a view to meeting a $150 million short-term need.

18. It should be noted that the Organization of American States (OAS), and in particular its Secretary-General, Dr. João Baena Soares, were prominently involved, in cooperation with Central American Governments, in successful efforts to reinstate democratic institutions in Guatemala following steps taken in late May 1993 by former President Jorge Serrano. Subsequently, in connection with developments in Nicaragua in late August and early September, the Permanent Council of OAS met in special session on 3 September to state, inter alia, its

support for President Violeta Barrios de Chamorro of Nicaragua and for the good offices exercised by the other Central American Presidents. The Permanent Council also requested the Secretary-General of OAS to take the necessary steps to consolidate democracy and promote national dialogue among the various actors in Nicaraguan national life.

III. UNITED NATIONS

19. Since the last report of the Secretary-General on the situation in Central America (A/47/739-S/24871), the United Nations has continued to support Central American countries in their efforts to consolidate peace, democracy and development, within the mandates entrusted to the Secretary-General and the United Nations programmes and agencies. As mentioned in the introduction, under the authority of the Security Council the Secretary-General has continued to carry out the verification and good offices mandate entrusted to ONUSAL. Under a mandate of the General Assembly and the Security Council, the Secretary-General has continued to exercise his good offices in the search for a negotiated settlement of the Guatemalan civil conflict. United Nations operational activities have been carried out within both national programmes and region-wide frameworks, such as the Special Plan of Economic Cooperation for Central America (PEC) and the International Conference on Central American Refugees (CIREFCA).

United Nations Observer Mission in El Salvador (ONUSAL)

20. The process set in motion by the signing of the Peace Accords between the Government of El Salvador and the Frente Farabundo Martí para la Liberación Nacional (FMLN) has continued. While the mandate and size of the military component of ONUSAL were reduced after the formal end of the armed conflict on 15 December 1992, the scope of the Mission's verification and good offices functions was widened following the release on 15 March 1993 of the report of the Commission on the Truth. 1/ That report contained far-reaching recommendations relating, in particular, to the eradication of structural causes linked to human rights violations that occurred during the civil war and also to institutional reforms to prevent their repetition. In addition, following a request from the Government of El Salvador, the Security Council decided to enlarge the mandate of ONUSAL to include the observation of the electoral process due to conclude with the general elections in March 1994 (resolution 832 (1993)).

21. Since his last report on the situation in Central America, the Secretary-General has regularly informed the Security Council on the work of ONUSAL. The Secretary-General's communications and reports have been circulated as official documents of the Security Council. 2/ In addition, the Secretary-General has conveyed to the General Assembly the periodic reports of the Director of the Human Rights Division of ONUSAL (A/47/912-S/25521, A/47/968-S/26033 and A/47/1012-S/26416 and Add.1). In his report to the General Assembly on the work of the Organization, the Secretary-General reported on ONUSAL, describing it as one of the major comprehensive efforts of the United Nations (A/48/1, paras. 421-427).

22. Significant progress has been made in El Salvador over the past 12 months. In addition to the formal end of the armed conflict, the Secretary-General was able to report implementation by the Government of the recommendations of the Ad Hoc Commission on the Purification of the Armed Forces. Following the discovery of an FMLN arms cache outside El Salvador in May, an intensive effort was launched by ONUSAL to locate and destroy, with FMLN cooperation, remaining armament. As a result, the Secretary-General was able to report that on 18 August the overall verification and destruction of FMLN weapons and equipment provided in the Peace Accords had been achieved. On the other hand, considerable delays have continued to mar the implementation of other key components of the Peace Accords, in particular the transfer of land and other programmes aiming at the reinsertion of former combatants into productive civilian life. The critical issue of financing for the implementation of the Peace Accord referred to in paragraph 8 has not been resolved. In a letter dated 3 November 1993 to the President of the Security Council, 3/ the Secretary-General summarized his concerns regarding the human rights situation, the implementation of the recommendations of the Commission on the Truth, the establishment of the National Civil Police and the registration process. He stressed the need to accelerate the implementation of outstanding agreements to set the stage for the electoral process, which is to be the culmination of the peace process.

23. Last year, in resolution 47/118, the General Assembly expressed its conviction that scrupulous compliance with the Peace Agreement would not only permit an end to the armed conflict through political means but also lay the foundation for major political, legal, economic and social changes that must involve all sectors of the country in the consolidation of a democratic and cohesive society. This concern with the consolidation of peace within a framework of democracy and social and economic changes is fully consistent with the goals of the Central American process itself. The Secretary-General, together with the United Nations system as a whole, will continue, within their respective mandates, to promote the success of that complex endeavour.

Guatemalan peace talks

24. Since his last report on the situation in Central America, the Secretary-General has continued to be represented by an observer in the negotiations between the Government of Guatemala and the Unidad Revolucionaria Nacional Guatemalteca (URNG). In early 1993, while the negotiations had become stalled over the issue of immediate international verification of a human rights agreement, the Government made a proposal whereby it would accept immediate verification provided that URNG would agree to a cease-fire within 90 days, followed by the concentration of its forces under international verification (A/47/873-S/25134, annex). In addition, the Government invited the Governments of Colombia, Mexico, Spain and Venezuela to constitute a Group of Friends and support the negotiation process more actively. The direct negotiations, which had been suspended in August 1992, entered a more active phase with five sessions being held between 23 February and 7 May 1993.

25. Those sessions focused on the simultaneous adoption of two documents: (a) the agreement on human rights, including provisions on the establishment of a commission to investigate human rights violations; and (b) a documento de compromiso, which would include an agreement on the composition and functions of

the Group of Friends, another agreement on the modalities for the participation of sectors of civil society in the peace process, and a compressed timetable for all remaining items of the negotiation agenda, including a time-frame for the signing of a cease-fire agreement prior to the signing of a final peace agreement. While progress was made on some issues, on others, and in particular on the timing of an early cease-fire, agreement proved elusive. While the Government delegation felt that for a serious negotiation to begin it needed a tangible commitment from URNG to an early cessation of hostilities, URNG felt, on the contrary, that any such commitment would jeopardize the substance of the negotiations and undermine its position in a fundamental way. On 7 May 1993, the negotiations were adjourned sine die.

26. Following the election of President Ramiro de León Carpio, the new Government of Guatemala announced that it would seek to establish a new format for the peace process, taking into account what it regarded as fundamental flaws in the previous approach and new opportunities for national dialogue. Under that new format, organized groups of Guatemalan society would bear primary responsibility for reaching political agreements aimed at achieving national reconciliation, while negotiations between the Government and URNG would focus more narrowly on the conditions for the reintegration of URNG into the legal and political life of the country. The Government plan in its final form was announced in Guatemala on 4 October 1993, and later outlined to the General Assembly and presented to the Secretary-General.

27. URNG has strongly criticized the Government's plan, in particular its final version. It has argued, inter alia, that the proposed format would deprive the negotiation process of political and social content, would disqualify URNG as a party to a political settlement of the armed conflict and would close the door to the immediate implementation of an internationally verified human rights agreement, which URNG thinks would offer the best conditions for a viable negotiation. URNG believed that the Government's plan reflected a closing rather than an opening of the political process in Guatemala. It endorsed, as a basis for further negotiation, a proposal published in September 1993 by the Conciliator of the talks, Monsignor Rodolfo Quezada Toruño.

28. On 6 October 1993, the Government of Guatemala asked the Secretary-General to promote a meeting with URNG to discuss a format for the resumption of the negotiation process. In the framework of his mandate of good offices in the Central American process, and without prejudging the format that the parties might find agreeable and the possible role of the United Nations in it, the Secretary-General stated his readiness to continue to assist the parties to achieve the earliest resumption of the negotiations. On the basis of that statement, on 25 October 1993 URNG wrote to the Secretary-General to suggest that he should convene a preliminary meeting with the purpose of establishing the terms for the continuation of the talks. These requests from the two sides open the way for an early resumption of contacts between the parties, which have been interrupted for seven months. For such a preliminary meeting to be fruitful, however, the parties should strive to address frankly each other's basic concerns: while their platforms overlap to a large extent, notably in recognizing the need for a democratic, peaceful political process, for structural reforms and for immediate steps in dealing with poverty, the protection of human rights and democratization, URNG remains sceptical of the Government's willingness or ability to carry out these reforms, while the

Government questions URNG's commitment to a peaceful settlement and a democratic political process.

United Nations operational activities

29. United Nations support to Central America through operational activities has been comprehensive and diversified. It has sought, in particular, to facilitate the regional process. At the national level, at the request of the Governments concerned, the United Nations operational system has concentrated its efforts in the following areas: (a) poverty alleviation, with emphasis on the most vulnerable sectors, particularly with respect to health, housing, education, income-generating activities and social investment schemes; (b) economic reform and public sector policies and management; (c) emergency and development assistance aimed at the repatriation of refugees, and reintegration of demobilized combatants, refugees and displaced people; (d) strengthening of democratic institutions, through support to electoral processes as well as the courts, parliaments and human rights ombudsmen; (e) environmental protection and promotion of sustainable development policies, legislation and practices; (f) population-related programmes; and (g) natural disaster prevention, relief and rehabilitation. The United Nations operational system has also been paying attention to the issue of indigenous people, an area where further action is required, in particular in the framework of the International Year of the World's Indigenous People, 1993. After concentrating their efforts on ensuring economic stabilization and starting a structural adjustment process, the Bretton Woods institutions are now also focusing on social sectors and other economic issues.

30. At the regional level, the Special Plan of Economic Cooperation for Central America has continued to serve as a framework for efforts to consolidate a firm and lasting peace through the promotion of development programmes and projects. The initial mandate of the Special Plan, adopted by the General Assembly at its forty-second session in 1988 (resolution 42/231), was extended for another period of three years at the forty-fifth session (resolution 45/231).

31. The experience gained in 1993 through the implementation of the Concerted Action Plan of CIREFCA and the Programme for Displaced Persons, Refugees and Returnees (PRODERE) confirmed the viability of an approach which seeks to ensure durable solutions to the problem of displacement and stresses development and social integration in areas of extreme poverty or affected by armed conflicts. In that context, it should be noted that the Guatemala Declaration adopted by the Central American Presidents on 29 October 1993 also recognized the need for a transition from emergency assistance to development and stressed the importance of development at the local level.

32. In the economic field, in addition to the ongoing policy dialogue carried out through ECLAC, technical cooperation has been provided in order to improve the region's ability to compete in the world economy. Areas of concentration have been agricultural development, industrial modernization, international trade negotiations, regional economic integration and regional integration institutions. Following the recent signature of the Protocol to the Treaty of Economic Integration, economic sectoral policies and institutional reforms are likely to receive increased attention.

33. Social development is another important area of cooperation. Efforts are centred around the objectives of the Tegucigalpa Agreement on Human Development, Childhood and Youth. Special emphasis has been placed on the fight against poverty, the formulation of investment programmes and the provision of key basic services, notably in the fields of health, education and culture, nutrition and feeding. Support in that area will remain necessary.

34. The United Nations system has also cooperated with Central American Governments and regional organizations in defining a Central American agenda for sustainable development. Efforts will continue to incorporate environmental factors fully into the process of development, the management of natural resources and institution-building.

IV. FURTHER PROSPECTS

35. As a region, Central America has emerged from the difficult decade of the 1980s with three important assets: a dynamic institutional framework; a comprehensive agenda of social, economic and other reforms; and an active partnership with the international community through several cooperation mechanisms, including the United Nations system itself. Together these assets are a powerful instrument to address the challenges of economic growth, improved social justice and further democratization. A key to success will be the continued ability to bring to bear on this comprehensive development effort the sustained dedication and sense of urgency that were mustered in addressing the challenges of civil war and regional tensions. The international community should remain a prominent contributor to that success, not by directing or substituting regional efforts but by supporting Central America's own commitment. The Secretary-General is ready, within the mandate entrusted to him by the General Assembly, to play an active part in that endeavour.

Notes

1/ S/25500, annex.

2/ S/25006, S/25078, S/25200, S/25241, S/25451, S/25500, S/25516, S/25812 and Add.1-3, S/25901, S/26005, S/26052, S/26371, S/26581, S/26606 and S/26689.

3/ S/26689.